

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 L-03 PA-01
PRS-01 /073 W

-----118500 080220Z /62

R 071847Z NOV 77
FM AMEMBASSY MADRID
TO SECSTATE WASHDC 2392
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY OSLO
AMEMBASSY PARIS
AMEMBASSY THE HAGUE
USMISSION USNATO
USMISSION GENEVA

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USEEC AND USOECD ALSO FOR EMBASSIES

E.O. 11652 NA
TAGS: ELAB, PINT, SP
SUBJECT: UGT CONDITIONALLY ACCEPTS MONCLOA ACCORDS

REF: MADRID 7519

1. SUMMARY: THE EXECUTIVE COMMITTEES OF THE SOCIALIST
(PSOE) PARTY AND THEIR AFFILIATED TRADE UNION, THE UGT,
MET IN JOINT SESSION IN MADRID NOV. 4, TO HAMMER OUT A
COMMON STAND REGARDING THE MONCLOA ECONOMIC ACCORDS (REF-
TEL)-SIGNED BY THE PSOE BUT TREATED THUS FAR WITH
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SCARCELY VEILED HOSTILITY BY THE UGT. AFTERWARDS,
SWALLOWING HARD, THE UGT CLOSED RANKS AND "ENDORSED"
THE ACCORDS. THE REAL VALUE OF THEIR CONCURRENCE
REMAINS UNKNOWN. END SUMMARY.

2. THE UGT AGREED TO A JOINT STATEMENT SUPPORTING WAGE
DEMAND "MODERATION", BUT LINKED THIS TO AN "EFFECTIVE

CONTROL OF PRICES" AND REFERRED POINTEDLY TO THE ESCAPE CLAUSE IN THE TEXT OF THE MONCLOA ACCORDS, BY WHICH THE WAGE LIMITS MAY BE EXCEEDED IF PRICES RISE BY MORE THAN EXPECTED IN 1978 (REFTEL). THIS ESCAPE CLAUSE WILL NOT NECESSARILY HELP THE MANY WORKERS WHO ARE ATTEMPTING TO PLAY "CATCH-UP" FROM THE 1977 INFLATION, CURRENTLY RUNNING ABOUT 30 PERCENT, AND THEREFORE SEEMS TO REPRESENT A SIZABLE CONCESSION BY THE UGT. ACCORDING TO UGT SECGEN NICOLAS REDONDO, AS REPORTED IN THE MADRID PRESS, THE UGT STILL REJECTS AS A "MATTER OF PRINCIPLE" THE 5 PERCENT "FLEXIBILITY" ON STAFFING LEVELS CONTAINED IN THE ACCORDS, BUT RECOGNIZES THAT UNDER CURRENT LAW MANY EMPLOYERS CAN PROBABLY REDUCE STAFF ANYWAY, WITHOUT THIS ADDITIONAL AUTHORITY, IF THEY CAN SURVIVE THE STRIKES SUCH ACTION WOULD PROBABLY PROVOKE.

3. THE PSOE AND UGT BOTH TIED ANY PROSPECTS FOR SUCCESSFULLY CARRYING OUT THE ECONOMIC RECOVERY PLAN TO "TRADE UNION LIBERTIES" AND TO THE BUILDING OF "SOLID MECHANISMS FOR INDUSTRIAL RELATIONS". THE UGT REFERRED TO ITS "FEAR" THAT THE GOVT WOULD END BY FAVORING THE "OPEN" LIST SYSTEM IN THE LABOR PLANT COMMITTEE ELECTIONS, AND THAT THE PLANT COMMITTEES, ONCE CHOSEN, WOULD BE GIVEN MORE AUTHORITY THAN THE LOCAL TRADE UNION SECTIONS (THUS, IN THE UGT VIEW, WEAKENING UNION AUTHORITY AND ABILITY TO "DELIVER" ON LIMITED OFFICIAL USE

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THE MONCLOA ACCORDS). IT DID NOT, HOWEVER, MAKE ITS SUPPORT FOR THE ACCORDS CONDITIONAL UPON GOVT ACTION IN THESE AREAS.

4. COMMENT: THE UGT FINDS ITSELF OUTFLANKED BY THE PSOE'S PREVIOUS APPROVAL OF THE ACCORDS AND IS RELUCTANT, LIKE THE PSOE, TO APPEAR PUBLICLY INTRANSIGENT. THEIR CURRENT "ENDORSEMENT", HOWEVER, IS VERY CONDITIONAL AND COULD EASILY BE EXPLAINED AWAY, SHOULD SIGNS OF A GRASS-ROOTS REVOLT APPEAR. EATON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC DEVELOPMENT, POLITICAL PARTIES, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770411-0461
Format: TEL
From: MADRID
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19771188/aaaacxtl.tel
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Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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